

Corporate and social responsibility

Alliance UniChem has the well-being of the communities that it serves at the heart of its business.

Within Alliance UniChem, responsibility for areas of our corporate and social responsibilities resides at Board level with Ornella Barra, in her designate position as Group Services Director. Within her portfolio of functions Ornella is responsible for Human Resources, which encompasses health and safety, training and employee welfare issues. Implementing and monitoring environmental and operational issues reside with the Directors responsible for the wholesale and retail divisions respectively.

Across Europe social and community conditions, regulatory requirements, customer demands and employee needs vary considerably. We believe that it is in the interests of all our stakeholders to tailor our activities to match our responsibilities to the needs of local markets within which we operate, while adhering to common principles:

Ethical trading

In all activities we seek to ensure transparent and ethical trading. We believe it is both our moral responsibility and also a sound commercial approach for the long-term success of our business. In retail pharmacy we operate within strict moral and ethical parameters laid down by professional and regulatory bodies in every market in which we operate. All these parameters have the same basis: that our pharmacies and employees in them must operate to provide the best level of care available to the patient and ensure that they always act primarily in the patient's interests. We have enshrined this as a core of our own retail business. The Group's management team, at every level, includes a significant number of qualified pharmacists who are bound by these professional standards, and we measure our activities against them. We provide on-going training for our retail employees and resource them suitably to empower them to provide the best advice and care they can. This commitment to professional standards helps us achieve significantly above average recruitment and retention levels for qualified employees and enhances our standing with the professional bodies who we work with closely to promote and enhance best practice in the profession.

Our wholesale businesses aim to operate on a completely transparent basis with customers, providing them with clear terms and commitments for our commercial relationships. In a number of markets these are laid out in a documented "Customer Charter", providing commitments on the service levels and professional standards that they can expect from us.

Product testing

Alliance UniChem operates a policy that none of our own brand products are tested on animals. As far as possible, we extend this to suppliers of the raw materials that are used in the production of these products; however we are unable to guarantee that all raw material suppliers do not, or have not in the past, used animal testing. When selecting suppliers of own brand product, we review their policy on animal testing as a factor in the selection process and in doing so we are moving toward a position where we aim to be able to provide a commitment in future that none of the raw materials used in the preparation of own brand products have been tested on animals.

As an operator of pharmacies and a "full line" wholesaler of pharmaceutical products, we acknowledge that many products that we stock will have been tested on animals as part of their product licensing procedures. We have an obligation professionally and legislatively to ensure the provision of licensed medicines to patients, and therefore must stock and supply all required licensed pharmaceutical products. Where we have a choice as to which products can be used, we consider the methods of testing in deciding on which products to stock, but have an ethical obligation to do so only as a secondary factor to patient well-being.

Health and safety

Alliance UniChem conducts its business with the highest concern for the health and safety of its employees, contractors, customers, neighbours and the general public.

We aim to offer our employees a safe and comfortable work environment, which meets or exceeds all legal health and safety requirements in every country in which we operate. While these requirements vary across Europe, we have begun to standardise collection and monitoring of health and safety statistics on a pan-European basis to identify opportunities to further raise standards across the Group. We use this information to work with local managers across the Group, and with our associate businesses, to promote best practice in this area and improve the safety of our workplace environments.

The Group's accident frequency rate (number of reportable accidents per 100,000 hours worked) was 1.70 in 2002. When looking specifically at three day lost time accidents, the accident frequency rate falls to 1.26 for the year. We received no convictions or irreconcilable complaints for health and safety contraventions in 2002 and there have been no work related fatalities within the Group.

Corporate and social responsibility (continued)

Environment

Our businesses impact on the environment in three main areas: the operation of warehouses, the operation of retail pharmacies and the operation of a fleet of vehicles, largely for the distribution of pharmaceuticals.

Our depots are secure and well-maintained facilities with an element of climate control due to the nature of the products held. Energy is by far the biggest resource consumed and is used for maintaining climate tolerances and driving the automation that forms the core of many of our depots. In implementing processes and technology in the operation of our businesses we seek to limit our energy usage in each depot, both to help contain energy costs and limit our impact on the environment.

We also operate programmes to collect and safely dispose of unwanted pharmaceuticals. While it is important to safely dispose of out of date product or part used product on which safety seals have been broken, we work where possible with regulators and the pharmaceutical industry to recycle suitable pharmaceutical products for charitable use if appropriate. Where products do require disposal we ensure controlled and licensed neutralisation and disposal of the product in collaboration with regulators.

Across the Group we also operate programmes in geographical regions where it is commercially viable to ensure the responsible disposal of packaging, which include the re-using and recycling of all suitable packaging types and where possible the use of licensed environmentally safe contractors to dispose of non-recyclable waste packaging.

Our retail pharmacies are typically limited in size and therefore environmental impact. They operate the same general principles and systems as wholesaler for the collection and disposal of unused pharmaceuticals, and for the safe storage of stock. As with wholesale, we factor in appropriate and commercially viable energy efficiencies and environmental impact limitations when fitting out our shops, using low consumption energy efficient equipment and environmentally friendly materials where possible.

We continually look at the most appropriate approach to limiting fuel consumption within our vehicle fleet. A number of studies have been conducted on the practicality of using alternative fuel sources to petrol or diesel, bearing in mind the combined requirements of urban, suburban and rural delivery schedules across our area of operation. So far we do not believe there to be a credible alternative for us to these traditional fuels. The efficiency of our delivery process is vital to our business, and the commercial pressures on us to optimise vehicle usage and the corporate responsibility that we have to adopt environmentally sympathetic operating practices complement each other in this instance.

Employees

Alliance UniChem's aim is to develop a European outlook within the Group. Whether this results in a career within or over national borders we put in place programmes to support individual development in line with the needs of the Group. We look to recruit, develop and promote employees to achieve their maximum potential, and are a committed equal opportunities employer.

We value the experience of our employees and so aim to provide training, development and secondment opportunities to enable them to meet or exceed individual objectives. Our commitment to training has led us to develop an on-going professional training programme for our pharmacists that exceeds the requirements of their professional bodies and has become a desirable recourse for pharmacists outside the Group, be they customers or affiliates, to meet on-going training needs while enhancing their professional skills.

For senior management we have introduced a 360 degree review process with assessment by peers and subordinates as well as superiors and work is underway to roll out this system within the Group.

We have established a structure which allows us to share best practice experience and skills across the Group. We were an early adopter of the European Directives on Works Councils and have been operating an active and successful European workers council for some time. Within our UK wholesale and retail businesses we have also obtained the coveted "Investors in People" award.

Our aim is that Alliance UniChem should be regarded as a professional organisation which values employees highly and provides them with a work environment within which they can continuously grow their skills and abilities developing excellent long-term careers – to be an employer that people aspire to work with.

Community

Our business is the provision of community healthcare, either as a primary provider through our retail pharmacies or as a secondary provider working with independent pharmacist customers. As part of this, the fostering of community well-being and promotion of healthcare initiatives are both a commercial necessity and a core corporate responsibility. We work closely with local healthcare providers to advise and inform the communities we serve.

Initiatives to promote community well-being are operated at a local and national level in each country where we operate, in many cases in partnership with local or national authorities, local healthcare teams or charitable organisations. We support localised community charitable projects, with the results that centralised Group charitable activities have historically been limited. We are currently reviewing this policy, however, to establish a more structured approach towards our centralised charitable activities to ensure that we focus our activities in areas or with organisations where we can offer more than simply a source of funding, but can offer the benefit of our employees' skills and experience as well.